

AMENDED IN ASSEMBLY MAY 2, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1380

**Introduced by Assembly Member Gordon
(Coauthors: Assembly Members Jerome Horton, Karnette,
Koretz, Montanez, Oropeza, Pavley, and Umberg)**

February 22, 2005

An act to add Section 7945 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1380, as amended, Gordon. Telecommunications: new area codes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law places notice and other requirements upon telephone corporations whenever the telephone corporation proposes to establish a new area code. Existing law requires the commission to first implement all reasonable telephone number conservation measures before approving an area code split.

This bill would place specified requirements upon telephone corporations in determining the inventory of numbering resources applicable to telephone corporations that hold dialing codes or thousand-number blocks within rate centers in California and require them to donate excess blocks of numbers to the North American Numbering Plan Administrator within 30 days of the filing of their next scheduled biannual Numbering Resource Utilization/Forest Report. The commission would be required to adopt rules and orders consistent with these requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
- 3 (a) Although the Federal Communications Commission (FCC)
4 has established requirements limiting telecommunications
5 carriers to a six-month supply of inventory for numbering
6 resources, the FCC has not established any clear and objective
7 method to assure that carriers' actual inventory is, in fact, limited
8 to six-month needs.
- 9 (b) Based on actual number utilization experienced by
10 telephone corporations, it is appropriate to establish rules
11 defining six-month inventory needs, forecast methodology, and
12 timing of donations and returns.
- 13 (c) Historical experience shows that telephone corporations
14 have repeatedly taken numbers from the pool for stocking their
15 inventories in excess of their actual needs.
- 16 (d) Telephone corporations' stockpiles of surplus numbers are
17 not available to other telephone corporations that may need
18 numbers to serve their own customers.
- 19 (e) Telephone corporations' mismanagement of numbers may
20 create a perception that an area code is about to exhaust its
21 supply of numbers when, in reality, available numbers are merely
22 being allocated inefficiently.
- 23 (f) Area code splits are costly to governments, consumers, and
24 businesses in the old area code when they are forced to incur
25 costs associated with updating their phone numbers.
- 26 (g) Area code splits represent a particular burden to seniors
27 and the disabled community who can face significant challenges
28 associated with an area code number change.
- 29 (h) With the implementation of the inventory rules in this act,
30 telephone corporations will still retain the flexibility to increase
31 their inventory to accommodate demand growth of up to 15
32 percent.
- 33 (i) New telephone corporations will not be adversely impacted
34 by this act, but can obtain thousand-blocks used for "footprint"
35 purposes on the same basis as they already do.

1 (j) Under this act, telephone corporations with a legitimate
2 need for additional telephone numbers will retain flexibility to
3 utilize existing procedures for obtaining telephone numbers as
4 they have in the past.

5 (k) A 15 percent growth cap provides reasonable discipline in
6 limiting a supplier's inventory of telephone numbers, while
7 preserving flexibility to accommodate customer demand.

8 (l) The methodology for determining short-term inventory
9 levels adopted by this act is straightforward and involves few
10 mathematical operations that can be readily incorporated into a
11 database from Numbering Resource Utilization/Forecast Reports
12 data.

13 (m) The establishment of objective guidelines for determining
14 six-month inventory supplies will decrease the volume of
15 stranded telephone numbers, increase available telephone
16 numbers for those carriers truly in need of them, and prevent new
17 area codes from being prematurely opened.

18 (n) This act is warranted in order to promote the more efficient
19 utilization of telephone numbers. Efficient utilization of
20 telephone numbers will, in turn, help extend the life of area codes
21 and avoid the risk of prematurely opening a new area code to
22 relieve code exhaustion.

23 SEC. 2. Section 7945 is added to the Public Utilities Code, to
24 read:

25 7945. (a) This section shall be known and may be cited as
26 the Area Code Conservation and Consumer Protection Act of
27 2006.

28 (b) For purposes of this section, "NRUF" means Numbering
29 Resource Utilization/Forecast Reports filed with the North
30 American Numbering Plan Administrator.

31 (c) A telephone corporation, in determining its six-month
32 inventory levels for each applicable rate center and area code in
33 California, within which the telephone corporation holds
34 numbering resources, shall comply with the requirements of this
35 section.

36 (d) Code or block holders that have acquired and retained
37 public numbering resources and have filed at least three NRUF
38 Reports with the North American Numbering Plan Administrator
39 shall apply the guidelines in this subdivision in determining the
40 level of numbering resources that they may retain as a six-month

1 inventory. A separate calculation shall be made for each rate
2 center within each area code within which the telephone
3 corporation holds an inventory of telephone numbers, that does
4 all of the following:

5 (1) Calculate the change in the historical demand for telephone
6 numbers, which represents the code or block holder's actual
7 growth. Code or block holders shall use the most recently filed
8 NRUF Report (NRUF at time 2) and the NRUF Report filed 12
9 months before the most recently filed NRUF Report (NRUF at
10 time 1). The change in the historical demand for telephone
11 numbers consists of those telephone numbers categorized as
12 Assigned or Intermediate in the NRUF Reports. The formula for
13 calculating the change in the historical demand for telephone
14 numbers shall be $((\text{Assigned numbers} + \text{Intermediate numbers as of NRUF at time 2}) - (\text{Assigned numbers} + \text{Intermediate numbers as of NRUF at time 1}))/2$.

17 (2) Determine the appropriate growth rate, whereby the
18 maximum growth rate is ~~15 percent~~ *to be determined by the*
19 *commission*, to use to calculate the projected growth in telephone
20 numbers for the next six months.

21 (3) Compute the projected growth in telephone numbers. The
22 formula shall be the product of the change in the historical
23 demand for telephone numbers and the appropriate growth rate.

24 (4) Find out the excess inventory of telephone numbers. The
25 formula shall be the difference of the available numbers reported
26 in NRUF at time 2 and the projected growth in telephone
27 numbers.

28 (5) Figure out the short-term inventory level. The formula
29 shall be the difference between the total numbering resources and
30 the excess inventory of telephone numbers.

31 (d) Code or block holders that have acquired and retained
32 public numbering resources and have filed no more than one or
33 two NRUF Reports with the North American Numbering Plan
34 Administrator, shall apply a modified version of the guidelines
35 set forth in subdivision (d) that recognizes that code or block
36 holders with two or fewer NRUF Reports will not have sufficient
37 historical data to compute 12 months of utilization data changes.
38 Telephone corporations in this category shall utilize data from
39 their most recently filed NRUF report as the basis for prospective
40 inventory calculations that does all the following:

1 (1) Calculate the change in the historical demand for telephone
2 numbers, which represents the code or block holder's actual
3 growth. Code or block holders shall use the most recently filed
4 NRUF Report (NRUF at time 2). The change in the historical
5 demand for telephone numbers consists of those telephone
6 numbers categorized as Assigned or Intermediate in the NRUF
7 Reports. The formula for calculating the change in the historical
8 demand for telephone numbers shall be (Assigned numbers +
9 Intermediate numbers as of NRUF at time 2).

10 (2) Determine the appropriate growth rate, whereby the
11 maximum growth rate is 15 percent, to use to calculate the
12 projected growth in telephone numbers for the next six months.

13 (3) Compute the projected growth in telephone numbers. The
14 formula shall be the product of the change in the historical
15 demand for telephone numbers and the appropriate growth rate.

16 (4) Derive the excess inventory of telephone numbers. The
17 derivation shall be the difference of the Available numbers
18 reported in NRUF at time 2 and the projected growth in
19 telephone numbers.

20 (5) Figure out the short-term inventory level. The formula
21 shall be the difference of the total numbering resources and the
22 excess inventory of telephone numbers.

23 (e) The commission shall require telephone corporations to
24 begin implementing this section with the filing of the next
25 scheduled biannual NRUF report. Telephone corporations shall
26 donate blocks regardless of the source of the numbering
27 resources. This section applies to all NXX code or
28 thousand-block holders, which have acquired and retained public
29 numbering resources. Telephone corporations shall calculate
30 their six-month inventory level utilizing data in the NRUF Report
31 due on the next scheduled biannual NRUF report and donate any
32 excess inventory blocks to the North American Numbering Plan
33 Administrator based on application of this section. Any surplus
34 blocks identified through the six-month inventory calculations
35 shall be donated to the pool no later than 30 calendar days after
36 their filing of the next scheduled biannual NRUF report. Every
37 six months thereafter, telephone corporations will be required to
38 perform an updated calculation of permissible inventory levels,
39 and to make any resulting donations to the pool of excess
40 inventory blocks as defined by the adopted rules.

- 1 (f) The commission may adopt rules and orders consistent
- 2 with the requirements of his section.

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